

# **WATER USE FEE STRUCTURE**

**Iowa Department of Natural Resources  
November 30, 2007 (revised draft)**



## **APPROXIMATE FUNDING PER YEAR**

Water Use Fees.....	\$1,200,000
Environmental First.....	\$480,000
General Fund to Water Supply Engineering.....	\$300,000
General Fund to IGS and Land Quality.....	\$200,000

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**TOTAL = \$2.18 Million**

## **LIST OF ASSUMPTIONS FOR ALLOCATION WATER USE FEES**

1. Application Fees: The department should have a fee for applying for or modifying a permit because this would prevent permit holders from dropping their permits when they don't use any water, then reapplying the year they will use water. This would prevent a large amount of additional resources to manage permits. Application fees will also be applied to water storage permits and water registrations.
2. Compression: A 10% compression is assumed because 310 permits did not report water usage in the years 2004 and 2005. We assume that approximately ½ of these will drop their permits if water allocation fees are adopted. We know that many permits are allocated more than what they actually use, so some permits will want to decrease how much water they are allocated to use per year.
3. These calculations are from our old WATER USE database, therefore, numbers are up to December 2006. The total number of permits in December 2006 is 3,352. The new WATER USE database has 3,380 active permits.

## PERMIT APPLICATION FEES

Types of Applications	Approx. # of Applications/Year	Proposed Fee	Estimated Collection
New	60	\$350	\$21,000
Modification	50	\$350	\$17,500
Minor Mod (with ren)	15	\$0	\$0
Renewals	350	\$0	\$0
Storage	60	\$75	\$4,500
Registration	40	\$75	\$3,000
		<b>Total</b>	<b>\$46,000</b>

## ANNUAL FEE BASED ON WATER ALLOCATED

- **\$0.50 per 1 Million Gallons Allocated**
- **\$50 Minimum Fee, No Maximum Fee**
- **Application Fees Apply**

Total Estimated Revenue	
<b>Annual Allocation Fee</b>	<b>\$1,272,496.59</b>
minus	
<b>Assume 10% compression</b>	<b>\$127,249.66</b>
plus	
<b>Application Fee</b>	<b>\$46,000.00</b>
<b>Total Revenue (w/ compression):</b>	<b>\$1,191,246.93</b>

## **INFORMATION**

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**Water Use Permits are comprised, but not limited to, power generation facilities, municipal water plants, rural water districts, large animal feed operations, golf courses, rock quarries, and large crop irrigators.**

**Number of permits that will pay \$50 minimum fee = 2,514**

**Total number of permits overall = 3,352**

**Amount generated from \$50 minimum fee = \$125,700**

### **1. Power Generation Facilities**

- a. Largest Permit Allocated 260,098 Million Gallons/Year**
- b. Allocation Fee/Year for largest permit = \$130,049**
- c. Largest Permit generates approximately 1,613 MW or 1,613,000 kW per day**
- d. Fee Impact would be approximately 1/40 of a cent per Million kW/hours**

### **2. Municipal Water Plants**

- a. Largest Permit Allocated 28,870 Million Gallons/Year**
- b. Allocation Fee/Year for largest permit = \$14,435**
- c. Fee Impact would be approximately 3 cents per household per year (average household usage of 5,000 gallons/month)**

### **3. Rural Water Districts**

- a. Largest Permit Allocated 3,250 Million Gallons/Year**
- b. Allocation Fee/Year for largest permit = \$1,650**
- c. Fee Impact would be approximately 3 cents per household per year (average household usage of 5,000 gallons/month)**

**4. Crop irrigation**

- a. Largest Permit Allocated 11,437 Acre-Feet/Year**
- b. Irrigating 11,437 acres of land (allowed 1 acre-feet per acre)**
- c. Allocation Fee/Year for largest permit = \$1,862**
- d. Fee Impact would be approx. 1/1000 of a cent per bushel of corn (using an average of 150 bushel/acre)**
- e. Fee Impact would be approx. 3/1000 of a cent per bushel of soy beans (using an average of 50 bushel/acre)**

**5. Rock quarries**

- a. Largest Permit Allocated 11,780 Acre-Feet/Year**
- b. Allocation Fee/Year for largest permit = \$1,918**
- c. Facility to mine approximately 871,200 cubic yards during the life of the water use permit (10 years)**
- d. Fee Impact would be approx. 1/50 of a cent per cubic yard mined per year**

**6. Large animal feeding operations**

- a. Largest Permit Allocated 100 Million Gallons/Year**
- b. Allocation Fee/Year for largest permit = \$50**

**7. Industry**

- a. Largest Permit Allocated 28,000 Million Gallons/Year**
- b. Allocation Fee/Year for largest permit = \$14,000**